

# REQUEST FOR COUNCIL ACTION

**DATE ACTION REQUESTED: August 17, 2020**

<b>Order</b> ___	<b>Ordinance</b> ___	<b>Resolution</b> ___	<b>Motion</b> ___	<b>Information</b> <u><b>XX</b></u>
<b>No.</b>	<b>No.</b>	<b>No.</b>		

**SUBJECT: Economic Opportunities Analysis Briefing – Refined Buildable Lands Inventory, and Employment Land Needs Analysis**

**Staff: Doug Rux, Director  
Department: Community Development**

**Work Session      Business Session X**

**Order on Agenda: New Business**

**RECOMMENDATION:**

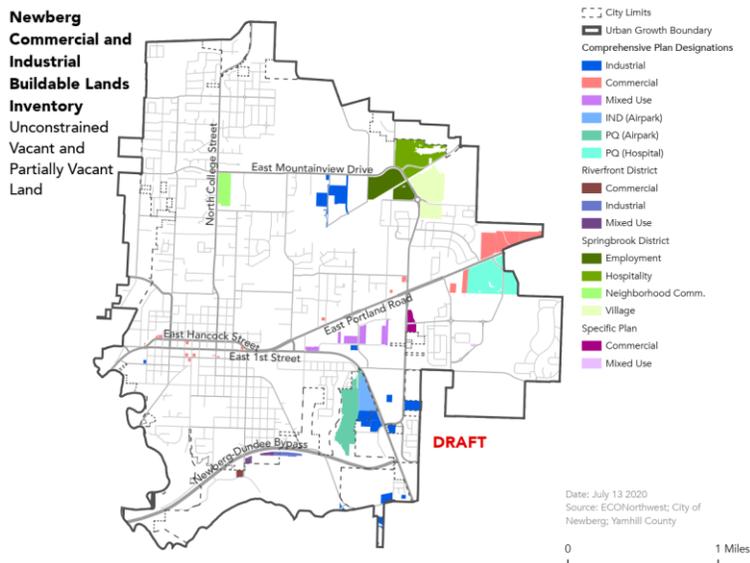
Information only.

**EXECUTIVE SUMMARY:**

The City Council approved a contract with ECONorthwest on November 18, 2019 by Resolution No. 2019-3618 to assist the City in conducting an Economic Opportunities Analysis (EOA). On September 16, 2019 the City Council passed Resolution No. 2019-3600 supporting a grant application to the Department of Land Conservation and Development for a Technical Assistance grant. The City was successful in the grant application and was awarded \$20,000 towards the cost of conducting the EOA.

The CAC has met four times since the project initiation in January 2020 and TAC has met three times. The first CAC meeting occurred on January 27, 2020 as a briefing and orientation to the project. The CAC and TAC held their first official meetings on technical aspects on April 23, 2020. The meeting was originally scheduled for March 17, 202 but was canceled due to the COVID-19 pandemic. The CAC and TAC met again on July 22. Below is a summary of the material presented on July 22, 2020.

*Newberg Commercial and Industrial Land Inventory*



## Unconstrained Vacant Land

Zone/Plan Designation	Total Buildable Acres	Buildable Acres on Vacant Lots	Buildable Acres on Partially Vacant Lots
<b>Commercial</b>	<b>55</b>	<b>27</b>	<b>28</b>
Commercial	15	6	10
Riverfront District Commercial	1	1	
Specific Plan Commercial	4	4	
Public Quasi-Public (Hospital Site)	8		8
Springbrook District - Hospitality	14	4	10
Springbrook District - Neighborhood Commercial	11	11	
<b>Mixed Use</b>	<b>24</b>	<b>21</b>	<b>4</b>
Mixed Use	10	6	4
Riverfront District Mixed Use	2	2	
Specific Plan Mixed Use	0	0	
Springbrook District - Village	12	12	
<b>Industrial</b>	<b>51</b>	<b>41</b>	<b>10</b>
Industrial	27	20	7
Riverfront District Industrial	3	3	
Springbrook District - Employment	22	19	3
<b>Total</b>	<b>130</b>	<b>89</b>	<b>41</b>

Of the 34 buildable acres in Springbrook District Village, about 12 will be for retail use. This is reflected in the table above.

(Source: Springbrook Master Plan)

## Buildable Land by Site Size

### Buildable acres on vacant and partially vacant lots by size, Newberg UGB

	Buildable acres in taxlots						Total
	less than 0.5 acre	0.5 - 1 acres	1 - 2 acres	2 - 5 acres	5 - 10 acres	10 - 25 acres	
Commercial	3	3	7	13	8	21	55
Mixed Use	2	1	6	2		12	24
Industrial	3	4	3	23		19	51
<b>Total</b>	<b>7</b>	<b>8</b>	<b>16</b>	<b>38</b>	<b>8</b>	<b>52</b>	<b>130</b>

### Number of lots with buildable vacant and partially vacant land by size, Newberg UGB

	Taxlots with buildable acres						Total
	less than 0.5 acre	0.5 - 1 acres	1 - 2 acres	2 - 5 acres	5 - 10 acres	10 - 25 acres	
Commercial	2	3	4	4	1	2	16
Mixed Use	3	2	2	1		1	9
Industrial	2	3	1	3		1	10
<b>Total</b>	<b>7</b>	<b>8</b>	<b>7</b>	<b>8</b>	<b>1</b>	<b>4</b>	<b>35</b>

# Employment Forecast and Commercial Land Sufficiency

## Employment Forecast

### Employment Growth Forecast, Newberg UGB, 2021 to 2041

**Employment Base:** Estimate 2018 Total Employment in Newberg, about 13,466 jobs, decreased by 10% to account for recent unemployment.

**Growth Rates:** Consider potential growth rates.

Newberg grew by 837 covered jobs or at 0.9% AAGR between 2008 and 2018.

Year	Jobs grow at the rate of...	
	Population growth for the City (1.39%)	Employment growth in the region (1.13%)
2021	12,119	12,119
2041	15,963	15,179
<b>Change 2021 to 2041</b>		
Employees	3,844	3,060
Percent	32%	25%
AAGR	1.39%	1.13%

\*Note: PSU population forecasts were updated in June 2020

### Two safe harbor options

1. OED growth rate for Mid-Valley Region (1.13%)
2. **Updated** PSU population growth rate for Newberg (1.39%)

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## Types of Employment

### Future mix of employment:

Assuming jobs grow at the population growth rate (1.39%)

Note: Industrial employment share based on 2008 employment data

Land Use Type	2021		2041		Change 2021 to 2041
	Employment	% of Total	Employment	% of Total	
Industrial	3,030	25%	5,587	35%	2,557
Retail Commercial	1,333	11%	1,437	9%	104
Office & Commercial Services	6,908	57%	7,982	50%	1,074
Government	848	7%	959	6%	111
<b>Total</b>	<b>12,119</b>	<b>100%</b>	<b>15,963</b>	<b>100%</b>	<b>3,846</b>

### Industrial businesses that left Newberg:

- Polymax >> Hubbard
- NW Alpine >> Salem
- Halstead Cabinets >> Salem
- Advance Machinery >> Tualatin
- Aviatrix >> Sherwood
- Westrock (closed mill site)

*Employment in Residential Plan Designations*

**Emp. in residential plan designations:**

*Assuming growth at the rate of population (1.39%)*

Land Use Type	New Employment Growth	Emp. In Res. Designations	New Emp. on Vacant Land
Retail Commercial	104	16	88
Office & Commercial Services	1,074	169	905
<b>Total</b>	<b>1,178</b>	<b>185</b>	<b>993</b>

Amount of employment in residential assumptions (based on 2018 employment):

- Retail – 2%
- Office Commercial – 16%

*Commercial Employment Densities*

- Current employment densities in Newberg
  - Retail Commercial: 16 employees per acre
  - Office Commercial: 22 employees per acre
- Land in rights-of-way
  - Commercial (including Retail and Office): 19%

*Commercial Land Demand*

**Future employment land need:**

*Assuming growth at the rate of population (1.39%)*

Land Use Type	New Emp. on Vacant Land	Employees per		Land Demand (Net Acres)	Land Demand (Gross Acres)
		Acre (Net Acres)			
Retail Commercial	88	16		6	7
Office & Commercial Services	905	22		42	52
<b>Total</b>	<b>993</b>			<b>47</b>	<b>59</b>

*Note: Industrial land demand will be calculated using a different approach*

## Preliminary Commercial Land Sufficiency

### Land sufficiency:

Assuming growth at the rate of population (1.39%)

Land Use Type	Land Supply		Land Sufficiency (Deficit)
	(Suitable Gross Acres)	Land Demand (Gross Acres)	
Commercial	79	59	20
<b>Total</b>	<b>79</b>	<b>59</b>	<b>20</b>

Note: Industrial land need will be calculated using a different approach

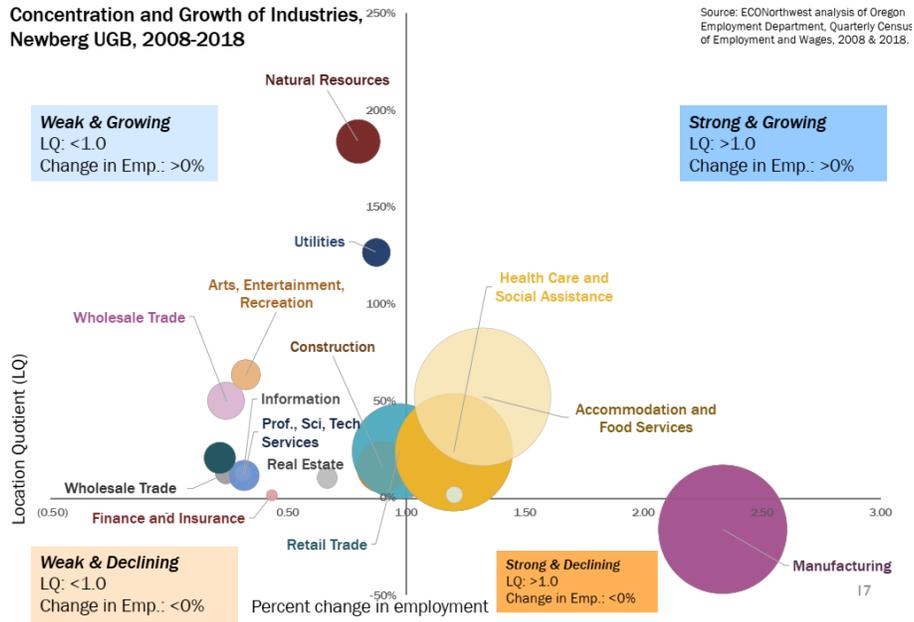
## Updated Discussion Site Needs

### Potential Target Industries

- Advanced and General Manufacturing
  - Dental and Medical Equipment
  - Machine Shops
  - Storage, Logistics, and Distribution
- Technology and High-Tech Manufacturing
  - Electronics and Software
  - Semiconductors
  - Health/Medical Information
- Food/Beverage Processing and Agricultural Products
  - Farming
  - Value-add Food Manufacturing
- Forestry and Wood Products
  - Forest Management
  - Lumber and Logs
  - MPP and CLT
- Aviation related industries
  - Specialty Aircraft Equipment
  - Air Travel and Tourism
  - Parts Machining and Repair

Note: This is list was refined since the May meeting based on input from City staff and SEDCOR.

## Potential Target Industries



## Types of Sites Target Industries may Need

Target Industry	High Tech	Food Proc.	Adv. Mfg.	Gen. Mfg.	Ind. Bus. Park	Reg. Warehouse	Local Warehouse	Special-ized
Advanced+ General Manufacturing	✓		✓	✓	✓			✓
Food/Beverage Processing + Agriculture Products		✓	✓				✓	
Forestry + Wood Products			✓	✓	✓		✓	
Tech + High Tech Manuf.	✓		✓		✓			✓
Aviation related industries			✓	✓	✓			✓

## Characteristics of Sites by Target Industries

Site Characteristics	General + Advanced Mfg.	Food/ Bev. Process.+ Ag Products	Forestry and Wood Products	Tech + High Tech Mfg. / Tech.	Aviation Related Ind.
Site Size (acres)	5-25+	5-25+	5-25+	5-100+	5-25+
Slope	0 to 7%	0 to 5%	0 to 7%	0 to 5%	0 to 7%
Railroad Access	Preferred	Preferred	Preferred	Preferred	<i>Depends on specific industry</i>
Highway Access (mi. to interstate)	within 20	within 30	within 5-20	within 60	within 20 (or n/a)
Special Utility Needs	Electricity redundancy dependency; Higher demand for electricity, gas, and telecom	High pressure water dependency	<i>Depends on specific industry</i>	High pressure water dependency; Very high utility demands	<i>Depends on specific industry</i>

## Industrial Land Demand and Sufficiency

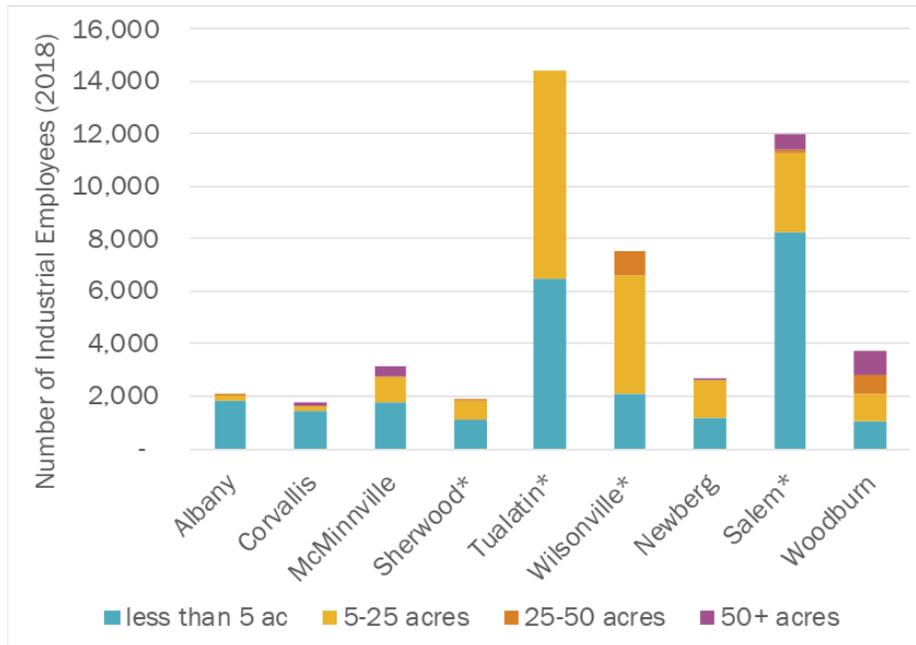
### Industrial Land Demand in Newberg

- Forecast shows Newberg will have growth of 2,557 employees in industrial sectors
- Target industries will generally need sites 5 to 25 acres; some will need larger and some will need smaller sites
- How many sites and acres of industrial land will Newberg need in the future?

### Regional Development Patterns

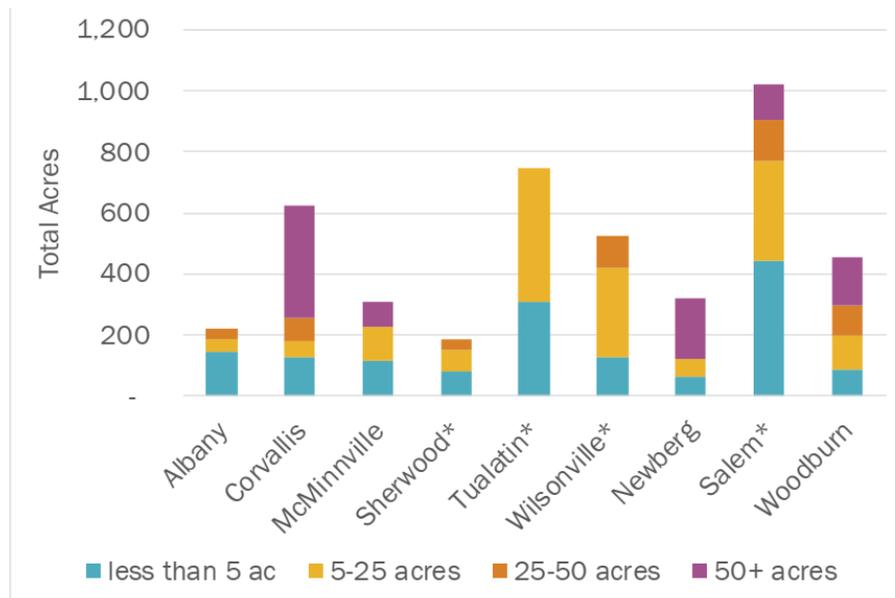
- We compiled information about industrial employment and site characteristics for: Albany, Corvallis, McMinnville, Sherwood, Wilsonville, Newberg, Salem, and Woodburn
- Industrial employment includes employment in the following sectors: Manufacturing, Construction, Utilities, Wholesale Trade, Transportation and Warehousing, and Agricultural and Forestry Services.
- Separated employment into the following site sizes:
- Smaller than 5 acres, 5-25 acres, 25-50 acres, and 50+ acres

## Industrial Employees by City



Source: Oregon Employment Department's Quarterly Census of Employment and Wages; Analysis by ECONorthwest  
\*Analysis for city limits only

## Acres of Land with Industrial Employment



Source: Oregon Employment Department's Quarterly Census of Employment and Wages; County and City-level parcel datasets; Analysis by ECONorthwest  
Note: The analysis only included sites where at least 75% of employment on the site is industrial.  
\*Analysis for city limits only

## Characteristics of Regional Sites

### Regional Site Characteristics

Analysis based on averages of industrial employment at sites in the following cities: Albany, Corvallis, McMinnville, Sherwood, Wilsonville, Newberg, Salem, and Woodburn

	Less than 5 Acres	5-25 acres	25-50 acres	50 and more
Percent of existing employment	51%	41%	4%	4%
Number of Employees per site	15	133	128	203
Average Site size (acres)	0.9	9.9	32.7	92.3

Source: Oregon Employment Department's Quarterly Census of Employment and Wages;  
County and City-level parcel data sets;  
Analysis by ECONorthwest

## Newberg Industrial Land Site Needs

### Industrial Land Need for 2,557 new industrial employees.

Analysis based on the averages of industrial employment.

	Less than 5 Acres	5-25 acres	25-50 acres	50 and more	Total
<b>New Employment by Site Size</b>					
Percent of new employment*	46%	41%	5.00%	8.00%	100%
Number of Employees in Newberg	1,176	1,048	128	205	2,557
<b>New Sites Needed</b>					
Employees per site*	15	133	128	203	
New Sites Needed in Newberg	79	8	1	1	89
<b>New Land Needed</b>					
Average Site size*	0.9	9.9	32.7	92.3	
Acres of land in Newberg (acres)	71	79	33	92	275

Source: Oregon Employment Department's Quarterly Census of Employment and Wages;  
County and City-level parcel data sets;  
Analysis by ECONorthwest

\*Assumptions based on the regional analysis.

## Industrial Land Sufficiency

**Explanation of industrial land sufficiency** – using sites less than 5 acres

### Comparison of land supply and need

- Subtract “new sites needed” from existing “vacant sites” in the BLI.
  - 79 needed sites minus 22 vacant sites = deficit of 57 sites

### Acres of land needed

- 57 needed sites times an average site size of 0.9 acres = 51 needed acres

	Less than 5 Acres	5-25 acres	25-50 acres	50 and more	Total
Number of Vacant Sites: Newberg BLI	22	1	-	-	23
New Sites Needed	79	8	1	1	89
<b>Comparison of Land Supply and Need (Land Surplus or Deficit)</b>	<b>(57)</b>	<b>(7)</b>	<b>(1)</b>	<b>(1)</b>	<b>(66)</b>
<b>Acres of land Needed</b>	<b>51</b>	<b>69</b>	<b>33</b>	<b>92</b>	<b>246</b>

Source: Oregon Employment Department's Quarterly Census of Employment and Wages;  
County and City-level parcel data sets  
Analysis by ECONorthwest

## Conclusions and Next Steps

### Preliminary Conclusions

- Newberg has enough commercial land to accommodate growth
- Newberg does not have enough industrial land to accommodate growth
- What potential strategies can Newberg use to accommodate employment growth?

### Next Steps

- Draft EOA document
- Draft strategies to accommodate growth

### FISCAL IMPACT:

Cost to prepare the Economic Opportunities Analysis is \$54,930.00. \$34,930.00 is budgeted in 01-4110-580000 out of the General Fund. \$20,000.00 is grant funds from the Department of Land Conservation and Development which is budgeted in 01-4110-533011.

### STRATEGIC ASSESSMENT: (Relate to Council Goals if applicable)

2020 Council Goals:

Not applicable.

